



**Congressional  
Research Service**

Informing the legislative debate since 1914

---

# U.S. Assistance to the Former Soviet Union

Updated March 1, 2007

**Congressional Research Service**

<https://crsreports.congress.gov>

RL32866

## Summary

Since 1992, the United States has provided more than \$28 billion in assistance to the 12 states of the former Soviet Union (FSU). It continues to provide nearly \$2 billion annually. This report describes the broad framework of U.S. assistance programs and policies in the region and then focuses on the FREEDOM Support Act (FSA) account under the foreign operations budget which, encompassing all U.S. objectives in the region, has often been the means by which Congress has expressed its views and sought to influence policy.

Three objectives have been most prominent in the U.S. assistance program to the region—facilitating the transition from authoritarianism to democracy, promoting the introduction and growth of free market economies, and fostering security by controlling the proliferation of nuclear, chemical, and biological weapons and expertise. More recently, a fourth objective, very much encompassing the other three, has emerged—supporting the war on terror. A fifth objective of U.S. assistance, humanitarian relief, was mostly applied in the early 1990s in response to countries experiencing food shortages.

Under the State Department's Coordinator of U.S. Assistance to Europe and Eurasia and encompassing all U.S. policy objectives, the FSA account has been a special interest of Congress since its creation in 1992. About \$11 billion of the \$28 billion in total U.S. aid provided between 1992 and 2005 has come from the FSA account. Under the terms of a continuing resolution (H.R. 5631/P.L. 109-289, as amended by H.J.Res. 20 on February 15, 2007) the FSA account receives \$452 million in FY2007 appropriations. Country allocations have not yet been determined. The Administration has requested \$351.6 million for the FSA account in FY2008, about \$100 million less than the previous year.

Perhaps the most notable feature of the FY2008 Administration foreign operations request is the proposed 22% cut in aid. With democracy challenged in Russia and making headway in Georgia, Ukraine, and Kyrgyzstan, as well as important U.S. interests in Central Asia, cuts might appear to indicate a low U.S. priority for the region.

The recent rise of democracy in Ukraine and Georgia and its evident decline in Russia have highlighted the role and possible need for U.S. democratization assistance. However, absolute levels of democracy aid to Russia in the FSA account have not increased since 1999 when it reached a level of \$64 million; it is roughly \$43 million in FY2006 and, under the FY2008 request, would fall to about \$26 million. Aid to the FSU has always come with conditions. The majority of specific restrictions have been aimed at Russia. As a result, in most years as much as 60% of planned U.S. assistance to the federal Russian government has been withheld. Currently, the most difficult conditionality issue arises with respect to human rights and democracy in Central Asia. This report will be updated as events warrant

## **Contents**

Background .....	1
Objectives and Programs.....	1
Democracy and Economic Reform .....	1
Funding Accounts.....	4
Legislation .....	6
FY2007 Appropriations.....	6
FY2008 Appropriations.....	6
Issues .....	6
Cuts in FSA Account.....	7
Support for Democratization.....	8
Conditionality.....	9

## **Figures**

Figure 1. Total U.S. Assistance to FSU: FY1995 .....	2
Figure 2. Total U.S. Assistance to FSU: FY2005 .....	2
Figure 3. U.S. Assistance to the FSU: All Spigots 1992–2005 .....	4
Figure 4. FSA Account by Sector .....	5
Figure 5. FSA Account and Russia Aid.....	8

## **Contacts**

Author Information.....	11
-------------------------	----

Since 1992, the United States has provided more than \$28 billion in assistance to the 12 states of the former Soviet Union (FSU). It continues to provide nearly \$2 billion annually. Over the years, various aspects of the program have drawn strong congressional interest and sponsorship; some country programs have been the subject of controversy and debate. The 110<sup>th</sup> Congress is likely to scrutinize these assistance programs as it seeks to address the range of U.S. foreign policy, strategic, and economic interests in the region. This report describes the broad framework of U.S. assistance programs and policies in the former Soviet Union and then focuses on the foreign operations FREEDOM Support Act (FSA) account which, encompassing all U.S. objectives in the region, has often been the means by which Congress has expressed its views and sought to influence policy.

## Background

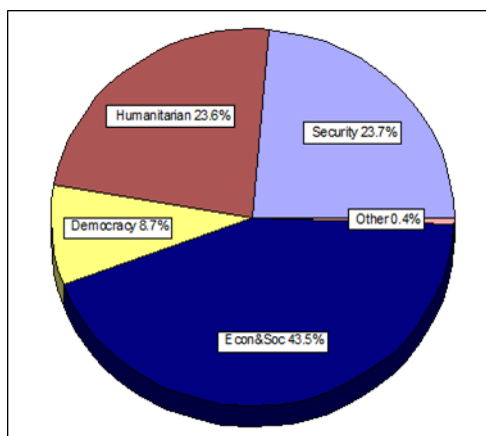
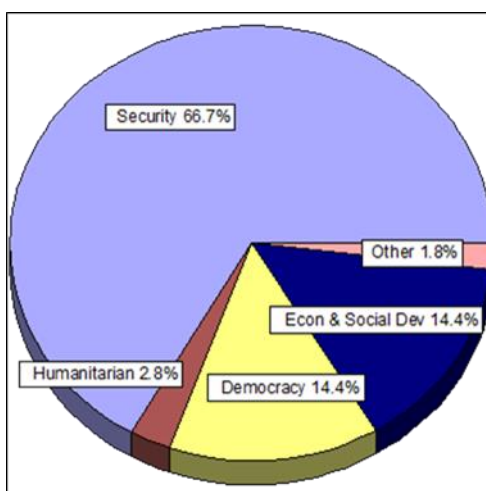
### Objectives and Programs

With the demise of the Soviet Union and emergence of a dozen new independent states at the end of 1991, the United States launched assistance programs aimed at accomplishing varied foreign policy objectives. Three objectives have been most prominent—facilitating the transition from authoritarianism to democracy, promoting the introduction and growth of free market economies, and fostering security by controlling the proliferation of nuclear, chemical, and biological weapons and expertise. A fourth objective of U.S. assistance, humanitarian relief, was especially significant at discrete points in the 1990s when several countries experienced critical food shortages. More recently, a fifth objective, very much encompassing the other four, has emerged—supporting the war on terror.

### Democracy and Economic Reform

Efforts to boost the objectives of democratization and economic growth have been supported chiefly through assistance programs authorized by the FREEDOM Support Act (FSA) of 1992 (P.L. 102-511). The assistance, usually in the form of expert advice and associated materiel support or grants to indigenous organizations, has sought to affect a range of sectors.

Among the **democratic initiatives** are technical assistance to political parties, parliaments, and independent media and grants to encourage the development of civil society non-governmental organizations (NGOs). Exchanges, most now funded under State Department appropriations, contribute to democratization by introducing FSU leaders and citizens to U.S. institutions and way of life. In FY2005, 14.4% of total FSU U.S. assistance supported democratization.

**Figure 1. Total U.S. Assistance to FSU: FY1995****Figure 2. Total U.S. Assistance to FSU: FY2005**

**Economic and social reform programs** include efforts to assist private sector development—support for privatization of state-owned business; drafting of new tax, securities, and commercial law; distribution of credit to micro and small enterprise; equity investments in fledgling business; and provision of expertise to farmers and businessmen. Assistance has also addressed related health, environment, energy, and housing concerns, including efforts to combat infectious disease, promote policy reforms, and introduce innovations such as a mortgage lending system. About 14.4% of total aid in FY2005 was devoted to economic and social development; in FY1995, the proportion was 43.5%.

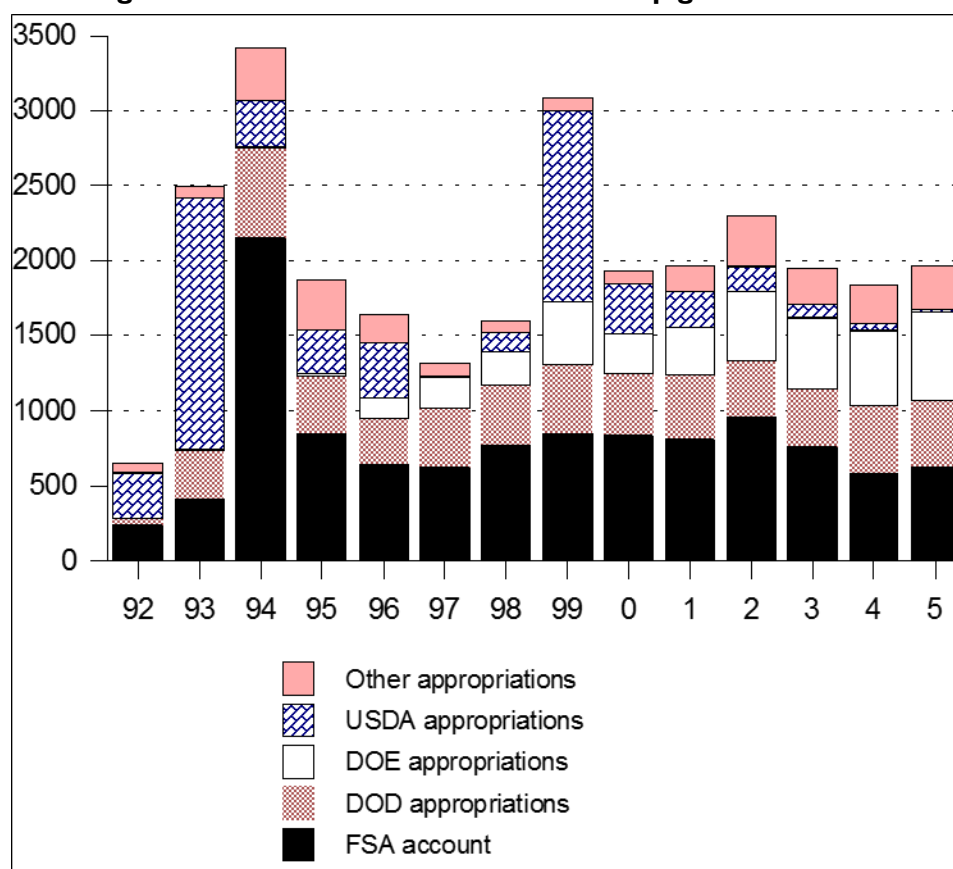
**Humanitarian.** Humanitarian programs include the PL480 food aid program (roughly 80% of humanitarian aid) and airlifts of food and medical supplies. The latter was of special importance in the first years of the transition, and the former was an especially significant part of the total aid program during discrete periods—1993 and 1999—when Russian farmers could not meet their country's food requirements and the United States wished to bolster President Yeltsin's position. About 2.8% of total aid in FY2005 was employed to fill humanitarian needs, down from 23.6% in FY1995.

**Security.**<sup>1</sup> Security programs mostly focus on non-proliferation concerns. They have been implemented mainly under the so-called “Nunn-Lugar” Cooperative Threat Reduction (CTR) Program legislation (P.L. 102-228), much of the language of which is duplicated in the FREEDOM Support Act. Several government departments have been actively engaged in implementing security programs. Broadly, non-proliferation programs conducted by the Department of Defense (DOD) have included insuring the security of transport and storage and the elimination of nuclear, chemical, and biological weapons and materials. The Department of Energy’s Material Protection, Control, and Accounting (MPC&A) program sponsors numerous efforts to protect nuclear sites and thwart smuggling of material. Both the State Department and DOE have managed programs controlling the spread of weapons expertise by encouraging scientists to remain in the FSU. State also supports export control and border security assistance. More than 40% of total U.S. assistance to the FSU since 1992 has focused on security. Almost two-thirds of these funds were directed at Russia. In recent years, the proportion of aid directed at security concerns has risen substantially—in FY2005, it represented nearly 67% of total aid compared to 23.7% in FY1995.

**Anti-Terrorism.** While there are discrete anti-terror programs aimed at the region—such as border security and anti-terrorism training—all other assistance objectives can be viewed as supporting this one. The securing of nuclear and other weapons has always been as much to keep them out of the hands of stateless terrorist groups as other nations. The achievement of economic growth and democracy are seen as helpful conditions to discourage the sale of weapons and technology and the eruption of discontent and instability that might offer havens to terrorist operations. The emergency supplemental that followed September 11, 2001, targeted for special funding Central Asian countries which provided bases for U.S. troops fighting in Afghanistan and are themselves viewed as threatened by radical Muslim organizations.

---

<sup>1</sup> For detailed discussion of FSU security programs see CRS Report RL31957, *Nonproliferation and Threat Reduction Assistance: U.S. Programs in the Former Soviet Union*, by Amy F. Woolf.

**Figure 3. U.S. Assistance to the FSU: All Spigots 1992–2005**

## Funding Accounts

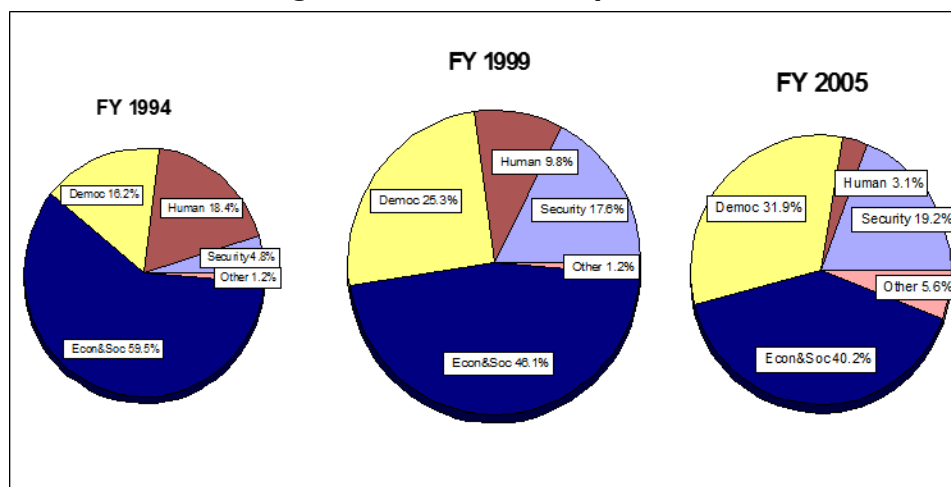
Multiple sources of U.S. funding (“spigots”) make up assistance to the region. Most security-related aid has been funded through Department of Defense (DOD) appropriations, but major related programs have also been funded under Department of Energy (DOE) and Foreign Operations appropriations, in the latter case primarily the FSA, Foreign Military Financing, and State Department NADR (Non-proliferation, Anti-terrorism, Demining) accounts. DOD, DOE, and Foreign Operations appropriations respectively account for \$5.2 billion, \$3.6 billion, and \$2.4 billion of total U.S. security aid to the FSU since 1992.

Humanitarian programs are predominately composed of the PL480 food aid program funded from Department of Agriculture (USDA) appropriations. Airlifts of humanitarian supplies were funded out of both State and DOD appropriations.

Roughly two dozen U.S. government agencies and department offices have implemented democratization, economic, and social programs in the FSU. Among these are the Peace Corps volunteer program, the State Department’s exchange programs, and Environmental Protection Agency, Department of Labor, and Treasury Department activities. Many of these programs were originally supported largely or entirely by the “Independent States of the Former Soviet Union” account (FREEDOM Support Act, FSA account) funded annually in the Foreign Operations appropriations bill, but as that account has decreased in size, some agencies have gradually been required to provide their own-agency appropriated funds (included in the “other” category in the

figure above). Only the FSA account has supported the whole range of U.S. policy objectives at one time or another.

**Figure 4. FSA Account by Sector**



**FSA Account Current Program.** Under the control of the State Department's Coordinator of U.S. Assistance to Europe and Eurasia, the FSA account has been a special interest of Congress since its creation in 1992. About \$11 billion of the \$28 billion in total U.S. aid provided between 1992 and 2005 has come from the Foreign Operations-funded FSA account. Unlike DOE or DOD security programs, funding for which has trended upward in the past dozen years, the FSA account has fluctuated considerably. Since 2002, however, it has been falling and, at \$452 million in FY2007, is at its lowest level since 1993. The decline may in part be explained by the view that some countries have progressed sufficiently in their economic and political development that they no longer require U.S. assistance (see issues below).

The composition of the account has also changed significantly over 15 years. In the early 1990s, economic and social reform was the largest component—as much as two thirds of the account in some years. In 2005 it was down to only 40% of the account, but still the largest component at \$251 million. Hovering near the 15% mark during the early and mid-1990s, democratization efforts rose to make up 25% by late in the decade. In 2005, at nearly \$200 million, it represented about one third of the account. Security aid was only 5% of the account in the first part of the program, but rose to a high of 25% in 2000 as a result of the so-called Expanded Threat Reduction Initiative that increased the State Department role in non-proliferation. As the State Department has moved non-proliferation program funding to the NADR and other accounts, security as a component of the FSA account has declined somewhat. It was 19% in 2004 at \$120 million.

**Millennium Challenge Account (MCA).** When the MCA was established in 2004, a new funding resource became available to some states of the former Soviet Union. Implemented by the Millennium Challenge Corporation (MCC), the MCA provides significant assistance to countries that meet certain standards of accountability and commitment to economic and democratic reform. Currently, four FSU states—Georgia, Armenia, Moldova, and Ukraine—meet the criteria that make them candidates for MCA funds. On September 12, 2005, an agreement, or compact, was signed with Georgia, providing \$295.3 million over five years for the purposes of improving transport, energy, and other infrastructure and to stimulate enterprise development, especially in agriculture. A five-year \$235.7 million compact with Armenia was approved by the MCC board on December 19, 2005. Its purpose is reduction of rural poverty through



rehabilitation of rural roads and improved irrigation. Moldova and Ukraine became candidate countries in November 2006 and must now develop acceptable program proposals in order to gain financial assistance.

Three FSU countries—Kyrgyzstan, Moldova, and Ukraine—have “threshold” status, meaning, in the case of Moldova and Ukraine, they had not at the time of selection or, as in the case of Kyrgyzstan, currently have not met qualifications for MCA Compact funding and need to improve their performance in select eligibility criteria in order to do so. Such countries can receive limited funds to help them meet the gaps in their performance. In December 2006, the MCC signed anti-corruption assistance packages with both Ukraine (two-year, \$45 million) and Moldova (\$24.7 million). Both will be managed by USAID and the Department of Justice.

## Legislation

### FY2007 Appropriations

FY2007 economic aid funding for the FSU is provided under the terms of a continuing appropriations resolution (H.R. 5631/P.L. 109-289 Division B, as amended by H.J.Res. 20 on February 15, 1007) which provides \$452 million in the FSA account, \$11 million more than the Administration request. Country allocations have not yet been determined.

The FY2007 Defense appropriations bill H.R. 5631 (P.L. 109-289, H.Rept. 109-676) provided \$372 million for DOD CTR programs, the same as the Administration request.

### FY2008 Appropriations

In February 2007, the Administration requested \$351.6 million for the FSA account in FY2008, a \$100 million, or 22% decrease, from the FY2007 level.

The FY2008 Administration request for DOD Cooperative Threat Reduction Programs is \$348 million.

## Issues

### FSA Account Country Allocations

(in \$ millions)

Country	FY05	FY06	FY07	FY08 (req)
Armenia	74.4	69.0	**	35.0
Azerbaijan	37.6	34.2	**	18.0
Belarus	6.9*	11.5	**	10.0
Georgia	86.0	67.8	**	50.5
Kazakhstan	26.7	24.8	**	14.4
Kyrgyzstan	35.1	29.0	**	23.8
Moldova	17.4	17.8	**	13.3
Russia	85.0*	80.2	**	50.0

Country	FY05	FY06	FY07	FY08 (req)
Tajikistan	24.5	23.8	**	26.9
Turkmenistan	6.5	5.0	**	5.5
Ukraine	78.6*	82.2	**	71.0
Uzbekistan	31.5	17.8	**	8.5
Regional	45.2	45.9	**	24.7
<b>Total app.</b>	<b>555.5*</b>	<b>508.9</b>	<b>452.0</b>	<b>351.6</b>

**Source:** Department of State

**Note:** \* Not shown here is an additional \$60 million for Ukraine, \$5 million for Belarus, and \$5 million for Chechnya appropriated in the FY2005 emergency supplemental (P.L. 109-13). \*\*Allocations under the CR not yet determined.

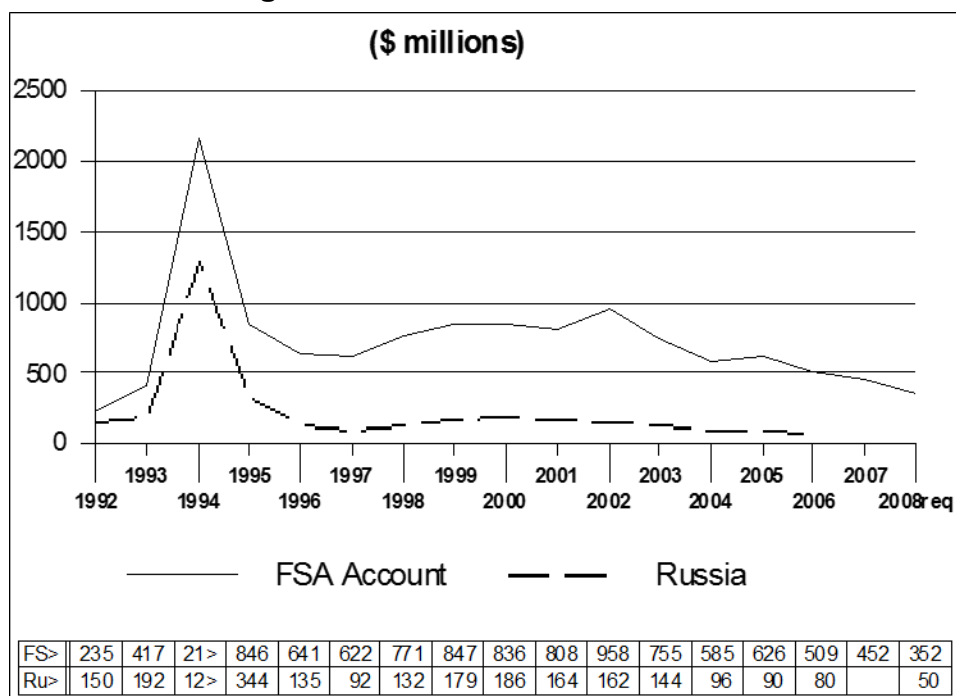
Several concerns have been raised in recent years regarding U.S. assistance for democracy and economic reform. (For non-proliferation aid issues see footnote 1).

## Cuts in FSA Account

The FY2008 Administration FSA account request under the foreign operations appropriations continues, even accelerates, an effort to cut aid to the region—the account would be cut by 22% from the previous year regular budget to \$351 million, continuing a decline from levels which in the past 10 years averaged \$725 million. With democracy challenged in Russia, and ongoing reform efforts in Georgia, Ukraine, Moldova, and Kyrgyzstan, as well as important U.S. interests in Central Asia, some observers have questioned the decline in aid to the region.

The Administration's proposed FY2008 cuts from FY2006 levels (FY2007 country levels have not been identified yet, following February passage of the final continuing resolution for that year) would fall most heavily on six countries—Armenia (49%), Azerbaijan (47%), Georgia (26%), Kazakhstan (42%), Russia (38%), and Uzbekistan (52%).

**Cuts in the Russia Program.** Each year since FY2001, aid to Russia has been decreased. Under the FY2008 request, FSA assistance would again be cut to \$50 million from a level of \$80 million in FY2006. These cuts are meant to lead to a total “phase-out” of the Russia FSA account aid program in the next several years. There are no current plans to eliminate the DOD or DOE non-proliferation programs to Russia.

**Figure 5. FSA Account and Russia Aid**

Although the FSA program was not established with any firm deadline in mind, most observers assumed that the program was “transitional” and would not run as long as programs in developing countries. A State Department strategy in 1994 suggested the Russia program would end around 1998. In 1997, the Partnership for Freedom initiative, which chiefly sought to reverse a sharp decline in Russia aid, made explicit a plan to wind down large-scale technical assistance to the whole FSU in 2002, but with smaller grassroots cooperation programs continuing beyond then to about 2006. In 2003, the Bush Administration decided to phase out Russia programs over several years, beginning with economic sector programs by 2006.

The questions these or any proposed cuts raise is whether they are desirable or justified in terms of what has been accomplished or remains to be achieved in each country. In the case of Russia, the Administration argued that economic reform programs were not required now that Russia has achieved strong economic growth. The Administration claim that democracy activities would be maintained, however, appears not to hold up to scrutiny. In FY2002 and FY2003, Russia FSA-funded democracy programs amounted to \$63 and \$61 million respectively. However, in subsequent years, funding declined to \$33 million in FY2004, \$43 million in FY2005, and \$43 million in FY2006. The Administration request for FY2008 contains \$26 million for democracy programs in Russia.

## Support for Democratization

Although from the beginning declared a major U.S. policy objective in the region, democracy has never risen above 15% of total all-spigots spending in any year. It is, however, now a significant part of FSA account spending, rising from 15-18% in most of the 1990s to 24% by 1998, 34% in 2003, and 30% in 2006. However, as overall account levels have fallen, democracy funding actually declined significantly between 2003 and 2006—in the FSA account, from \$254 million to \$152 million. The FY2008 request would provide about \$128 million for democratization, 36% of the total account.

The recent rise of democracy in Ukraine and Georgia and its evident decline in Russia have highlighted the role and possible need for U.S. democratization assistance. The latter case, in particular, has elicited repeated calls for increased aid by expert observers during the last six years as Putin has chipped away at democratic institutions and practices. Congress indicated its concern by passing the Russian Democracy Act of 2002 (P.L. 107-246) which called for increased aid and emphasized the role of NGOs and independent media in democratization.

One aspect in the creeping diminution of democratic practices in Russia is the attacks on aid recipients in civil society and especially NGOs that promote democracy. In mid-2005, a U.S.-supported human rights organization found itself accused of evading taxes, even though its U.S. foreign aid income is supposed to be tax free. Similar problems occurred in the early 1990s until they were resolved diplomatically by formal agreement with the U.S. embassy. This time, however, they are combined with attacks from the head of the Federal Security Service on other NGOs—as well as the Peace Corps which left Russia several years ago amid similar attacks—and a statement by President Putin that foreign funding of political activities would not be permitted. Legislation to control Russian NGOs and severely restricting the ability of foreign organizations to assist them was approved by the Duma in December 2005 and signed into law by President Putin. It took effect on April 13, 2006. Analysts suggest that Russian authorities fear a Ukraine-like situation which has been blamed on U.S. and other donor-funded NGOs.<sup>2</sup>

It is not possible to say to what degree U.S. assistance is responsible for the positive developments in Georgia, Ukraine, and Kyrgyzstan.<sup>3</sup> Although the United States had previously pumped \$807 million in FSA account aid to Georgia, \$2.1 billion to Ukraine, and \$408 million to Kyrgyzstan (including \$138 million, \$453 million, and \$94 million respectively in democracy aid), these countries remained corrupt, economically stagnant, and authoritarian up to the time of their democratic revolutions. U.S. programs, however, may have planted seeds of change, especially in support for civil society and political party training, both of which emphasize ways in which advocacy groups can make their voices heard.

All U.S. democratization support carries the danger of charges of U.S. interference in a country's internal affairs. Implementors have been careful, especially in providing aid to political parties, to be evenhanded and open to all comers. But, if the government is authoritarian, then democracy aid may be viewed as inherently subversive. Accordingly, NGOs throughout Central Asia are reportedly being harassed, some U.S. officials believe, at the instigation of Russia.<sup>4</sup>

## Conditionality

Aid to the FSU has always come with conditions. Both the FREEDOM Support Act and annual foreign operations bills contain general and specific conditions that all the states of the FSU are expected to meet in order to receive assistance. Conditions left to the broad discretion of the President include whether these countries are undertaking economic and political reform, are following international standards of human rights, are adhering to international treaties, and are denying support to terrorists. Other conditions established by Congress have been more firm and specific. Among these is Section 907 of the FSA which for a decade prevented, with some

<sup>2</sup> "Putin Says Foreigners Use Private Groups to Meddle in Russia," *New York Times*, January 26, 2006; "Secretary Criticizes Russia's NGO Law," *Washington Post*, December 8, 2005; "Putin Vows to End Foreign Political Funding," *Financial Times*, July 21, 2005; "Russia Hounds Human Rights Group That Gets U.S. Help," *New York Times*, Sept. 18, 2005.

<sup>3</sup> Some suggest that the U.S. role was critical to events in Kyrgyzstan. "U.S. Helped To Prepare the Way for Kyrgyzstan's Uprising," *New York Times*, Mar. 30, 2005.

<sup>4</sup> "Pro-Democracy Groups are Harassed in Central Asia," *New York Times*, December 4, 2005.

exceptions, policy reform and other direct assistance to the government of Azerbaijan unless it took steps to cease blockades and other uses of forces against Armenia and Nagorno-Karabakh. Beginning in 2002 and in each year following, the President has waived this prohibition.

The majority of specific restrictions have been aimed at Russia. These include directions that aid be cut or withheld if Russia implemented a law discriminating against religious minorities, if its troops remained in the Baltics, if it did not provide NGO access to Chechnya, or if it did not cooperate with war crime investigations in Chechnya. Since FY1996, direct assistance to the government of Russia has hinged on its continuing sale of nuclear reactor technology to Iran. As a result, in most years as much as 60% of planned U.S. assistance to the federal Russian government has been cut.

The new Millennium Challenge Account compacts also come with their own conditionality. To become eligible for the program, countries must meet certain standards of behavior related to governance, social development, and economic freedom. While Armenia, for example, appears to have met those standards sufficient to warrant a compact agreement, it also has been warned that it must maintain them or risk losing aid. Even as its \$236 million award was announced in December 2005, a letter from the MCC to Armenia's President Kocharian suggested that steps be taken to correct problems, particularly with regard to charges of electoral fraud and media restrictions in the November 2005 constitutional referendum.<sup>5</sup>

Currently, the most difficult conditionality issue arises with respect to human rights in Central Asia. The authoritarian governments of the so-called "stans" were not seen as fertile territory for U.S. assistance in the 1990s. Consequently, most received minimal aid. However, after 9/11, these states became potential targets for Muslim radicalism as well as front lines in the war on terrorism. In FY2002, they received an additional \$174 million in FSA account funds from anti-terrorism supplemental appropriations. Although their strategic value has increased, their poor record in supporting human rights has raised concerns reflected in succeeding appropriations bills. In the FY2006 Foreign Operations appropriations, for example, aid to the central government of Uzbekistan was conditioned on its making "substantial and continuing" progress in human rights and democratization. Aid to the government of Kazakhstan similarly depended on its improvements in protection of human rights, although the condition could be waived on national security grounds; Secretary of State Rice most recently employed the waiver in May 2006. Although the House version of the FY2007 foreign operations bill, H.R. 5522, did not contain the Uzbekistan or Kazakhstan language, foreign assistance appropriators reportedly expect the Administration to respect FY2006 terms and conditions under the FY2007 continuing resolution.

In 2004, the Secretary of State was unable to make a determination allowing Uzbek government aid to go forward, and \$18 million planned for the central government was withheld. At the same time, DOD waived a human rights requirement under the Nunn-Lugar Cooperative Threat Reduction legislation to allow non-proliferation aid to Uzbekistan.<sup>6</sup> Following a violent Uzbek government response to unarmed demonstrators in mid-May 2005 and critical comments by the United States, relations between the United States and Uzbekistan have been strained. Although the United States had been negotiating for long-term use of the base there, the Administration was

<sup>5</sup> "U.S. Approves Grant to Armenia, but Urges Greater Political Rights," *New York Times*, December 20, 2005.

<sup>6</sup> Although it is not unusual for different types (and objectives) of aid to be subject to different legislative conditions and to be treated differently, the *Washington Post* reports the unusual recent circumstance of the Chairman of the Joint Chiefs of Staff, General Myers, criticizing the State Department's aid cut-off while praising Uzbekistan's cooperation with DOD. "Barriers to Freedom," *Washington Post*, Apr. 10, 2005.

forced to consider whether a military relationship was viable in a situation of authoritarian rule and civil unrest. The decision appears to have been made for it when, on July 31, 2005, the Uzbek government formally evicted U.S. forces from the base, effective within six months, and, reportedly, has stopped cooperating with the United States on counterterrorism activities. In 2005 and 2006, the Secretary of State was again unable to make the determination that would allow some kinds of aid to the government of Uzbekistan to go forward.<sup>7</sup>

Increasingly, non-democratic countries in the region have placed constraints on civil society and other non-governmental organizations that U.S. assistance targets. In June 2005, the Peace Corps suspended the program in Uzbekistan, because the Uzbek government did not renew the visas of volunteers. In September 2005, the FSA account-funded organization IREX, which had been working in the country since 1994, was ordered by a Uzbek court to stop its programs—exchanges, internet access, and community development—for six months. And, in March 2006, the U.S. human rights group Freedom House was ordered to end operations. Expecting a similar action, the Eurasia Foundation announced it would close its office.<sup>8</sup> Counterpart International's office was closed by the government in May 2006. In addition to U.S. organizations, thousands of local NGOs have been forced to disband, raising the question of how the United States can implement democracy programs in Uzbekistan without appropriate partners.

## Author Information

Curt Tarnoff  
Specialist in Foreign Affairs

---

## Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.

---

<sup>7</sup> Department of State Budget Justification for Foreign Operations, FY2007, p. 524; "Uzbeks Stop Working with U.S. Against Terrorism," *Washington Post*, Sept. 30, 2005.

<sup>8</sup> "Uzbekistan Jails Opposition Leader and Rights Worker," *Washington Post*, March 7, 2006. For more detail, see CRS Report RS22295, *Uzbekistan's Closure of the Airbase at Karshi-Khanabad: Context and Implications*, by Jim Nichol.